IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants	:	Kevin FOLEY & Kim BANG
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Title	:	ELECTRONIC TRADING SYSTEM SUPPORTING ANONYMOUS NEGOTIATION AND INDICATORS OF INTEREST
Examiner	:	CALVIN LOYD HEWITT II
Group Art Unit	:	3621

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APPEAL BRIEF

TABLE OF CONTENTS

I. REAL PARTY IN INTEREST

The real party in interest in this Appeal is the assignee of the present application, Bloomberg L.P.

II. RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences.

III. STATUS OF CLAIMS

Claims 1-29, all of which were rejected in the final Office Action dated June 23, 2004, are pending in this application. This is an appeal, pursuant to the Notice of Appeal filed December 7, 2004, of the rejection in the final Office Action of all of claims 1-29.

IV. STATUS OF AMENDMENTS

Amendments to claims 1, 2, 4, 6, 11, 14, 16-19 and 24-29 presented in Applicants' Response to Final Office Action filed December 7, 2004 were entered in the Advisory Action dated March 7, 2005. There are no pending or un-entered amendments.

All pending claims with all entered amendments to the claims are reproduced in Appendix A.

V. SUMMARY OF CLAIMED SUBJECT MATTER

A. Claims 1-15

Independent claims 1, 7 and 9 relate to a method and systems which handle trades anonymously of orders originating from users of a system and trades of an order originating from a user of the system and an order originating from outside the system.

Claim 1

According to the method claimed in claim 1, a first party offers to buy or sell, over an electronic trading system, a number of shares selected by the first party of a stock at a price selected by the first party from or to one or more counterparties selected by the first party. The first party and a counter party (previously selected by the first party) can electronically agree to trade up to an agreed number of shares of the stock at a price agreed to by the parties. However, the system does not execute a trade agreed to by the first party and the counterparty unless there is no better trade for the particular stock outside the system for neither the first party nor the counterparty. Depending upon the existence or not of a stock order originating from outside the system that can provide such a better trade, the system either electronically executes the trade agreed to by the first party and the counterparty or the better trade. Specifically, if there is no better trade in at least one stock order originating from outside the system for the particular stock of the agreed to trade for neither the first party nor the counterparty, the system executes the agreed to trade, and if there is a better trade in the particular stock for either the first party or the counterparty, the system executes the better trade.

Claim 7

Independent claim 7 claims a system for conducting anonymous trades of stock, including at least one computer with associated computer memory which receives anonymous orders from a plurality of users of the system, and is programmed to support anonymous electronic negotiations between a first user and a second user of the system for a trade of a stock. The at least one computer also receives stock orders originating from outside the system and is programmed to electronically execute the following:

> a trade of matching orders of users of the system;
>
> a trade of an order from a user of the system matched with an order originating from outside the system;
>
> a trade negotiated by a first and a second user of the system in accordance with at least price and quantity terms agreed to by the first and second users;
>
> a trade of an order of a first user of the system to a negotiated trade agreed to by the first user and a second user of the system and an order originating from outside the system; and
>
> a trade of an order of the second user of the system to the negotiated trade and an order originating from outside the system.

The at least one computer is also programmed to execute a trade in accordance with a priority when the same trade becomes available (a) between two orders originating within the system and (b) between an order originating from within the system and an order originating from outside the system.

Claim 9

Independent claim 9 claims a system for conducting anonymous negotiations in trading stock comprising at least one computer with associated computer memory which receives orders

from a plurality of users and orders originating from outside the system. The at least one computer is programmed to:

> support anonymous negotiations between first and second users with orders;
>
> to repeatedly determine whether there is a match of any one of the orders from the first and second users with any one of the orders originating from outside the system; and
>
> to execute a pair of orders selected from the orders from the first and second users and the orders originating from outside the system.

B. Claims 16-29

Independent claims 16 and 26 claim a system and method involving (a) orders entered into a system that can be automatically matched and automatically traded with another order, and (b) an indication of interest (IOI) in the stock for which an order has been entered that the system transmits to selected users. Thus, (a) orders for the stock can be automatically matched and trades executed for matched orders, and (b) a party who has received an IOI in the same stock as an order that can be automatically traded can negotiate a trade with the originator of the IOI.

Claims 16 and 24-25

According to the system of claim 16, at least one computer has a listing of system users accessible by any system user via a user station, and is programmed, responsive to user input, to create a subset of system users selected by a user to which that user authorizes the system to transmit an indication of interest (IOI) in a stock for which that user has entered a related automatically matchable and executable order. The at least one computer is programmed to transmit, to the users in the subset of users selected by the user that entered the related order, the IOI with respect to which the related order has been entered.

According to claims 24 and 25, the at least one computer is programmed to transmit an IOI in association with its related entered order only if the related entered order exceeds a threshold quantity or only if the related entered order and any uncancelled orders for the same stock entered by the same user exceed a threshold quantity.

Claim 26

According to the method of claim 26, a user at a user station selects users from among other users of the system to which the user wants to transmit an IOI in a particular stock, and the system transmits to the selected users the IOI with respect to which a related order for the stock has been entered at the user station, which related entered order can be automatically matched and for which a trade can be automatically executed.

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The June 23, 2004 final Office Action rejected all of claims 1-29 for the following reasons.

Claims 1-15 were rejected as being unpatentable under 35 U.S.C. § 103 over U.S. Patent No. 5,924,082 ("Silverman *et al.*") in view of U.S. Patent No. 6,377,940 ("Tilfors *et al.*"). Claims 16-29 were rejected as being unpatentable under 35 U.S.C. § 103 over Silverman *et al.* in view of U.S. Patent No. 5,873,071 ("Ferstenberg *et al*") and U.S. Patent No. 5,243,331 ("McCausland *et al.*"). Claims 1-6 were also rejected under 35 U.S.C. § 112 for failing to comply with the written description requirement and for being indefinite.

A. **Issues on Appeal**

1. whether claims 1-6 fail to comply with the written description requirement of 35 U.S.C. § 112, first paragraph;

2. whether claims 1-6 fail to comply with 35 U.S.C. § 112, second paragraph;

3. whether Silverman *et al.* and Tilfors *et al.* render claims 1-15 obvious under 35 U.S.C. § 103(a);

4. whether Silverman *et al.* anticipates claims 16-19 and 26-29 under 35 U.S.C. §102[1];

5. whether Silverman *et al.* and McCausland *et al.* render claims 20-23 obvious under 35 U.S.C. §103(a); and

6. whether Silverman *et al.* and Ferstenberg *et al.* render claims 24 and 25 obvious under 35 U.S.C. §103(a).

VII. ARGUMENT

1. Claims 1-6 comply with the written description requirement of 35 U.S.C. § 112, first paragraph

The Examiner contended that the following in claim 1 is not supported by the specification (emphasis partially supplied) (final Office Action at page 4):

> if there is no better trade in at least one stock order originating from outside the system for the particular stock for ***both*** the first party ***and*** the counterparty, [the system electronically executing the trade agreed to by the first part and the counterparty].

Claim 1 was amended in Applicants' response to the final Office Action, and the version of the language in claim 1 quoted above now reads (emphasis supplied):

> if there is no better trade in at least one stock order originating from outside the system for the particular stock for ***neither*** the first party ***nor*** the counterparty, [the system electronically executing the trade agreed to by the first part and the counterparty].

[1] Claims 16-19 and 26-29 were *de facto* rejected for anticipation, as explained below.

The logical expressions in claim 1 for trading orders are supported by the specification. *See, e.g.,* Application at page 16, lines 6-22 and page 3, line 17 through page 4, line 3. In particular, the specification states (page 3, line 17 through page 4, line 3)(emphasis supplied):

> [t]he first party and the counterparty electronically negotiate the price of the stock or the number of shares of the stock, or both, over the system prior to agreeing to the trade, and whether there is a better trade in the particular stock for either the first party or the counterparty is determined at least once during the negotiating step and at least once after completion of the negotiating step and before any trade is executed between the first party and the counterparty... [A] trade is not executed between users of the system if there is a better trade with a third party. Whether a better trade is available, *i.e.*, whether there is a match of ***any one*** of the hidden orders with any one of the public orders, may be repeatedly determined. Depending upon whether a better trade is available, ***a pair of orders selected from the hidden orders and the public orders is executed.***

As now recited in claim 1, if there is no better trade in at least one stock order originating from outside the system for the particular stock for ***neither*** the first party ***nor*** the counterparty, the system electronically executes the trade agreed to by the first part and the counterparty. The application passage quoted above provides that there can be a trade between any hidden order (an order originating from inside the system) and any public order (an order originating from outside the system). Therefore, a buy or a sell order originating from inside the system can trade with a sell or buy order, respectively, originating from outside the system. The application passage quoted above also provides that a trade (agreed to between users of the system) is not executed between the users of the system if there is a better trade with a third party, which means, as now claimed in claim 1, that the trade between users is executed if there is not a better trade with an order originating from outside the system for neither user of the system who agreed to the trade.

It is submitted that the amendment to claim 1 discussed above made subsequent to the final Office Action mooted the rejection of claim 1 under 35 U.S.C. § 112, first paragraph, and it

is requested that the Board reverse the rejection in the final Office Action of claim 1 under 35 U.S.C. § 112, first paragraph, and the rejection of claims 2-6 which are dependent upon claim 1.

2. **Claims 1-6 comply with 35 U.S.C. § 112, second paragraph**

With respect to the § 112, second paragraph rejection of claim 1, the Examiner contends that the language in claim 1 relating to execution of the negotiated trade (between orders originating from inside the system) only if there was not a better trade for both sides of the negotiated trade is at odds with the description at page 16 of the specification (final Office Action at page 5).

As pointed out above, claim 1 was amended in Applicants' response to the final Office Action, and this § 112 rejection is also moot. Claim 1 on appeal provides that if there is a better trade (than the agreed to trade) in at least one stock order originating from outside the system for the particular stock for either the first party or the counterparty, the system executes the better trade. Presented in the syntax used by the Examiner, claim 1 on appeal provides for execution of the negotiated trade (between orders originating from inside the system) only if there is not a better trade for either side of the negotiated trade, which is consistent with the description at page 16 of the specification.

It is requested that the Board reverse the rejection in the final Office Action of claim 1 under 35 U.S.C. § 112, second paragraph, and the rejection of claims 2-6 which are dependent on claim 1.

3. Silverman *et al.* and Tilfors *et al.* do not render claims 1-15 obvious under 35 U.S.C. § 103(a)

(a) Claim 1

As discussed above, when a first party and a counterparty electronically agree to trade up to an agreed number of shares of the stock at an agreed price, claim 1 provides (a) if there is no better trade in at least one stock order originating from outside the system for the particular stock for neither the first party nor the counterparty, the system electronically executes the trade agreed to by the first party and the counterparty, and (b) if there is a better trade in at least one stock order originating from outside the system for the particular stock for either the first party or the counterparty, the system executes the better trade.

In the method claimed in claim 1, there is an agreed to trade between buy and sell orders of a first party and a counterparty originating inside the system such that an agreed to price is presentable for a possible trade with both a sell order and a buy order, respectively, originating from outside the system. As such, orders originating from outside the system can be checked to see if there is a better price for the buy order of the negotiated trade as well as for the sell order of the negotiated trade, and if so, execute the better trade between the buy or sell order of the negotiated trade and a sell order or buy order, respectively, originating from outside the system.

Silverman *et al.*

Silverman *et al.* discloses a negotiated matching system in which a matching computer matches potential counterparties to a potential transaction based on transaction parameters, and then provides for matched counterparties to negotiate certain parameters of the transaction. When the matched counterparties have agreed to all transaction parameters, a trade is executed by the system.

As the Examiner acknowledged, Silverman *et al.* does not disclose "price discovery outside the initial trading system" (final Office Action at page 8). Silverman *et al.* teaches that there must be some negotiation between counterparties before a transaction can be completed. Silverman *et al.* does not disclose or suggest how negotiation would take place between a user of the Silverman *et al.* system and a non-user, i.e., a party who has not entered orders and transaction parameters into the Silverman *et al.* system. In fact, a trade proceeding to completion without negotiation between prospective parties to the trade, as is possible in the method claimed in claim 1, runs counter to the negotiated matching system disclosed in Silverman *et al.*

Tilfors *et al.*

Tilfors *et al.* discloses that for an entered buy order, the system checks order books for sell orders, but not also buy orders, and for an entered sell order, the system checks order books for buy orders, but not also for sell orders. With respect to claim 1, when a trade is agreed to between a first party and a counterparty, whether that trade or another trade will be executed depends upon whether or not there is a better trade available between the first party and an order originating from outside the system, and also whether or not there is a better trade available between the counterparty and an order originating from outside the system. Tilfors *et al.* is only concerned with whether there is a better trade available for the party entering an order, and not for the party behind an already entered order in the system which can be matched against the order being entered.

In Tilfors *et al.*, a person enters a buy order ***or*** a sell order into the system. Assume that the order is a buy order per the example starting at col. 2, line 40 of Tilfors *et al.* Next, the order book (the in-exchange order book) is checked for a best sell order. Then, the out-of-exchange

order books (exchanges 103 and 105 in Fig. 1) are checked for the best sell orders. Then, the best price is determined from the best sell order in the in-exchange and out-of-exchange order books. If the best price can be obtained from the in-exchange order book (exchange 101 in Fig. 1), matching takes place between the entered buy order and the best sell order on the in-exchange book. Otherwise the entered buy order is either transferred to another exchange for execution or else the price for trading the entered buy order on the automated exchange 101 is adjusted.

None of the foregoing in Tilfors *et al.* involves any negotiation of, or any agreement on, terms between parties. In Tilfors *et al.*, when there is no match, Tilfors *et al.* provides for price adjustment (see Fig. 3), which is not negotiation. Price adjustment is described in Tilfors *et al.* at col. 2, line 58-col. 3, line 16, and Fig. 3. As described in the last paragraph in col. 2 of Tilfors *et al.*, price adjustment is determined by a parameter which indicates how much the market maker is prepared to adjust its price. The parties do not enter into a negotiation. Rather, as the decision block in Fig. 3 indicates, if the price adjustment parameter is better than or equal to the price on the other exchange, the order is matched in decision block 305 (no negotiation), and if it is not better, the marker maker is notified to trade the order manually in block 303 (again, no negotiation).

Tilfors *et al.* does not disclose two parties negotiating and agreeing to a trade, for which there would then be an agreed to buy price and an agreed to sell price against which price discovery could proceed out of the exchange for both the buy order and the sell order. All of the checking described above in Tilfors *et al.* is for the purpose of finding the best sell order for the entered buy order, and does not also involve price checking for a buy order. It would make no sense for the Tilfors *et al.* system to check prices of buy orders to complete a trade with an

entered buy order. Tilfors *et al.* simply does not address checking prices of both buy orders and sell orders for an entered order.

The combination of Silverman et al. and Tilfors et al does not disclose all of the subject matter of claim 1

As discussed above, Silverman *et al.* at least does not disclose "price discovery outside the initial trading system," as acknowledged by the Examiner.

Tilfors *et al.* does not disclose parties negotiating and agreeing to a trade, for which there would then be an agreed to price against which price discovery could proceed out of the exchange for both buy and sell orders. Instead, all of the checking described in Tilfors is for the purpose of finding the best price of a sell order for an entered buy order, or the best price of a buy order for an entered sell order, but not both.

Even if it were obvious to combine Silverman *et al.*'s negotiation with Tilfors *et al.* (which we contend it is not), the combination does not disclose parties agreeing to a trade, and then execution of the agreed to trade only if there is no better trade for neither party to the agreed to trade.

It is not obvious to combine Silverman et al. and Tilfors et al.

The Examiner has not provided any specific basis for combining Tilfors *et al.'s* disclosure of out of system, one-sided price discovery with Silverman *et al.*'s negotiated only matching system. Instead, the Examiner states that "the combined Silverman *et al.* and Tilfors *et al.* system would operate to seek a better price" (bottom of page 2 of final Office Action), that it would have been obvious to combine the teachings of Silverman *et al.* and Tilfors *et al.* "in order to provide users with an improved interface for negotiating trades and receiving financial information" and "to reduce the risk of a person entering an order into an automated exchange to

get a worse price than he could have at another exchange" (bottom of page 8 of final Office Action).

Obtaining a better price on a trade (and its corollary of reducing the risk of a person getting a worse price in a trade), and providing an improved interface are well recognized goals to solve perceived needs of trading systems. Recognition of these general goals does not provide a motivation or suggestion for any particular solution, much less the solution provided by claim 1. *See Cardiac Pacemakers, Inc. v St. Jude Med., Inc.* 381 F.3d 1371, 1377 (Fed. Cir. 2004) ("There is an important distinction between the general motivation to cure an uncured disease...and the motivation to create a particular cure.")

The Examiner has not set forth a valid basis for a suggestion or motivation in the prior art to combine Silverman *et al.* and Tilfors *et al.* To avoid reliance on hindsight, which is prohibited in reconstructing the claimed invention, the suggestion or motivation to combine Silverman *et al.* and Tilfors *et al.* cannot come from Applicants' disclosure.

(b) Claim 7

Claim 7 claims a system for conducting anonymous trades of stock, including at least one computer programmed to electronically execute trades including a trade negotiated by a first and a second user of the system in accordance with at least price and quantity terms agreed to by the first and second users, a trade of an order of a first user of the system to a negotiated trade agreed to by the first user and a second user of the system and an order originating from outside the system, and a trade of an order of the second user of the system to the negotiated trade and an order originating from outside the system. When the same trade becomes available between two orders originating within the system, and between an order originating from within the system

and an order originating from outside the system, the system executes the trade in accordance with a priority.

As discussed in connection with claim 1, there is the possibility of an agreed to trade between buy and sell orders of a first party and a counterparty originating inside the system such that an agreed to price is presentable for a possible trade with both a sell order and a buy order, respectively, originating from outside the system. As such, a trade can be available between the buy or sell order of the negotiated trade and a sell order or buy order, respectively, originating from outside the system. According to claim 7, when the same trade is available for orders originating from inside and outside the system, a particular trade can be executed according to a priority. For example, in one embodiment a trade between an order in the system and an order originating outside the system would be executed if such a trade were a better trade than a trade between two orders in the system. (See claim 8.)

The rejection of claim 7 should be reversed

The rejection of claim 7 should be reversed for reasons similar to those advanced for claim 1.

(c) Claim 9

Claim 9 claims a system for conducting anonymous negotiations in trading stock comprising at least one computer programmed to support anonymous negotiations between first and second users with orders, repeatedly determine whether there is a match of any one of the orders from the first and second users with any one of the orders originating from outside the system, and execute a pair of orders selected from the orders from the first and second users and the orders originating from outside the system.

Claim 9 provides that the claimed system support anonymous negotiations between first and second users with orders, and if there is a match of any one of the orders from the first and second users with any one of the orders originating from outside the system, execute a pair of orders selected from the orders from the first and second users and the orders originating from outside the system. Thus, like claim 1, claim 9 provides for the possibility that either the buy order or the sell order of the negotiated trade can form a trade with a sell order or a buy order, respectively, originating from outside the system.

The rejection of claim 9 should be reversed

The rejection of claim 9 should be reversed for reasons similar to those advanced for claim 1.

4. Silverman *et al.* does not anticipate claims 16-19 and 26-29 under 35 U.S.C. §102

The final Office Action does not present a prima facie rejection of independent claims 16 and 26 based on obviousness

Page 9 of the final Office Action states with respect to independent claims 16-29:

> However, Silverman et al. do not explicitly recite transmitting an IOI with an order ***only if that order exceeds a threshold quantity***." (Emphasis supplied.)

Independent claims 16 and 19 do not require that an IOI be transmitted only if the order exceeds a threshold quantity. Dependent claim 24, however, states that "the at least one computer is programmed to transmit an IOI in association with its related order ***only if the related entered order exceeds a threshold quantity***." (Emphasis supplied.) Dependent claim 25 also refers to a threshold quantity.

Page 10 of the final Office Action states with respect to independent claims 16-29:

> However, neither Silverman et al nor Ferstenberg et al. utilize a specialized keypad. McCausland et a. teach a dedicated keypad for a financial trading system (abstract).

Independent claims 16 and 29 do not recite a keypad or keyboard. Dependent claims 20-23, however, recite a keyboard.

Since the Examiner has not provided any secondary reference on which to base a rejection of claims 16 and 26 under §103, the Examiner has not made out a *prima facie* case of obviousness, and the rejection of claims 16 and 26 under § 103 should be reversed.

Independent claims 16 and 26 are not anticipated by Silverman et al.

Independent claim 16 claims an electronic trading system comprising at least one computer programmed to automatically match orders entered into the user stations by users and to automatically execute trades of matched orders, and to transmit, to the users in a subset of users selected by the user that entered a related order, an IOI with respect to which the related order has been entered. In claim 16, the IOI transmitted by the system is an IOI in a stock with respect to which the user has entered an order that can be automatically traded. In addition, claim 16 also refers to automatically matching orders and automatically executing trades of automatically matched orders. Thus, according to claim 16 the system can automatically match orders and execute trades of matched orders, and transmit an IOI in a stock for which the user has entered a related order that can be automatically matched and for which a trade can be automatically executed, and expressly relates the IOI to a specific order that can be automatically matched and automatically traded by the system.

Independent claim 26 claims a method of determining interest in a stock among users of an electronic stock trading system which includes at least one computer for automatically matching orders and automatically executing trades of automatically matched

orders, comprising a user at a user station selecting users from among other users of the system to which the user wants to transmit an indication of interest (IOI) in a particular stock, and the system transmitting to the selected users the IOI with respect to which a related order for the stock has been entered at the user station, which related entered order can be automatically matched and for which a trade can be automatically executed.

The system described in Silverman *et al.* does not automatically execute a trade. In Silverman *et al.*, the parties must first negotiate the terms of the trade and agree to the terms of a trade before the trade can be executed. A bid, offer, order, or an expression of interest in Silverman *et al.* cannot be executed by the matching computer without the parties first negotiating. Silverman *et al.* does not disclose that an order can both be automatically traded and negotiated, but instead discloses only trades which the parties must first negotiate before the trade can be executed.

Therefore, independent claims 16 and 26 are not anticipated by Silverman *et al.* Claims 15-19 are dependent upon claim 16, and claims 27-29 are dependent upon claim 26. These claims include all of the limitations of either claim 16 or claim 26. As such, these dependent claims also are not anticipated by Silverman *et al.* for at least the reasons discussed above.

For the reasons discussed above, the rejection of claims 16-19 and 26-29 should be reversed.

5. Silverman *et al.* and McCausland *et al.* do not render claims 20-23 obvious under 35 U.S.C. §103(a)

Dependent claims 20-23 include all of the limitations of claim 16. For at least the reasons discussed in connection with claim 16, the rejection of dependent claims 20-23 should be reversed.

6. Silverman *et al.* and Ferstenberg *et al.* do not render claims 24 and 25 obvious under 35 U.S.C. §103(a)

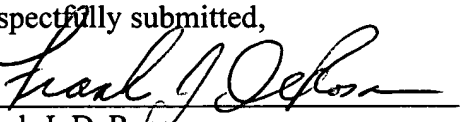
Dependent claims 24 and 25 include all of the limitations of claim 16. For at least the reasons discussed in connection with claim 16, the rejection of dependent claims 24 and 25 should be reversed.

VIII. CONCLUSION

In view of the foregoing, the Board should, and is requested to, reverse the rejections of claims 1-29.

Date: July 7, 2005

Respectfully submitted,



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APPENDIX A

Listing of Claims

1. A method for electronically trading stocks using an electronic trading system while maintaining the identity of the trading parties anonymous with respect to each other and with respect to users of the trading system, comprising:

a first party offering to buy or sell over the system a number of shares selected by the first party of a stock at a price selected by the first party from or to one or more counterparties selected by the first party;

the first party and a counterparty electronically agreeing to trade up to an agreed number of shares of the stock at an agreed price;

if there is no better trade in at least one stock order originating from outside the system for the particular stock for neither the first party nor the counterparty, the system electronically executing the trade agreed to by the first party and the counterparty, and if there is a better trade in at least one stock order originating from outside the system for the particular stock for either the first party or the counterparty, the system executing the better trade.

2. The method of claim 1 including the system identifying users who have engaged in recent trade or order activity in particular stocks, and wherein the first party offering to buy shares from or sell shares to one or more selected counterparties includes selecting the one or more counterparties from the users identified by the system.

3. The method of claim 1 comprising the first party and the counterparty electronically negotiating the price of the stock or the number of shares of the stock, or both, over the system prior to agreeing to the trade.

4. The method of claim 3 comprising determining if there no is better trade in the particular stock for neither the first party nor the counterparty at least once during negotiating and at least once after completion of negotiating and before any trade is executed between the first party and the counterparty.

5. The method of claim 1 comprising users of the system selecting counterparties to whom the system automatically electronically conveys orders of respective users.

6. The method of claim 1 wherein agreeing to trade up to an agreed number of shares of stock includes agreement by the first party and the counterparty to trade for less than the full number of shares offered at an agreed price.

7. A system for conducting anonymous trades of stock, including:

at least one computer with associated computer memory which receives anonymous orders from a plurality of users of the system, and is programmed to support anonymous electronic negotiations between a first user and a second user of the system for a trade of a stock;

the at least one computer also receiving stock orders originating from outside the system and being programmed to electronically execute:

a trade of matching orders of users of the system;

a trade of an order from a user of the system matched with an order originating from outside the system;

a trade negotiated by a first and a second user of the system in accordance with at least price and quantity terms agreed to by the first and second users;

a trade of an order of a first user of the system to a negotiated trade agreed to by the first user and a second user of the system and an order originating from outside the system; and

a trade of an order of the second user of the system to the negotiated trade and an order originating from outside the system;

the at least one computer being programmed to execute a trade in accordance with a priority when the same trade becomes available:

between two orders originating within the system, and

between an order originating from within the system and an order originating from outside the system.

8. The system of claim 7 wherein the at least one computer is programmed to provide priority of trade execution to orders originating within the system.

9. A system for conducting anonymous negotiations in trading stock comprising:

at least one computer with associated computer memory which receives orders from a plurality of users and orders originating from outside the system, the at least one computer being programmed to:

support anonymous negotiations between first and second users with orders;

to repeatedly determine whether there is a match of any one of the orders from the first and second users with any one of the orders originating from outside the system; and

to execute a pair of orders selected from the orders from the first and second users and the orders originating from outside the system.

10. The system of claim 9 wherein the pair of orders includes orders of the first and second users paired by anonymous negotiation and by acceptance by the first and second users.

11. The system of claim 9 wherein the pair of orders includes a first order of the first user and an order originating from outside the system received by the at least one computer matched to the first order.

12. The system of claim 9 wherein the at least one computer is programmed to conduct anonymous negotiations between the first user and a plurality of second users selected by the first user.

13. The system of claim 9 comprising a user station having an input device and an output device.

14. The system of claim 13 wherein the at least one computer is programmed to provide available second users from which the first user can select using the input device.

15. The system of claim 13 wherein the at least one computer is programmed to provide a pop-up input window to the output device for receiving user inputs for conducting the negotiations between the first and second users.

16. In an electronic trading system comprising at least one computer with associated computer memory and a plurality of user stations coupled thereto via a communications network, where the at least one computer is programmed to automatically match orders entered into the user stations by users and to automatically execute trades of matched orders;

the improvement comprising the at least one computer having a listing of system users accessible by any system user via a user station, wherein responsive to user input via user stations the at least one computer is programmed to create a subset of system users selected by a user to which that user authorizes the system to transmit an indication of interest (IOI) in a stock for which that user has entered a related order that can be automatically matched and for which a trade can be automatically executed, the at least one computer being programmed to transmit, to the users in the subset of users selected by the user that entered the related order the IOI with respect to which the related order has been entered.

17. The system of claim 16 wherein the at least one computer is programmed to automatically transmit the IOI with its related entered order.

18. The system of claim 16 wherein the at least one computer is programmed to transmit the IOI only when a command is entered in association with its related entered order via a user station.

19. The system of claim 16 wherein the at least one computer is programmed to automatically transmit the IOI with its related entered order unless an override command is entered in association with the related entered order via a user station.

20. The system of claim 18 wherein the user stations include a keyboard, the command being entered via the keyboard.

21. The system of claim 20 wherein orders are entered via the keyboard, and the command is appended to an order via the keyboard.

22. The system of claim 19 wherein the user stations include a keyboard, the command being entered via the keyboard.

23. The system of claim 22 wherein orders are entered via the keyboard, and the command is appended to an order via the keyboard.

24. The system of claim 16 wherein the at least one computer is programmed to transmit an IOI in association with its related entered order only if the related entered order exceeds a threshold quantity.

25. The system of claim 16 wherein the at least one computer is programmed to transmit an IOI in association with its related entered order only if the related entered order and any uncancelled orders for the same stock entered by the same user exceed a threshold quantity.

26. A method of determining interest in a stock among users of an electronic stock trading system which includes user stations for entering orders and at least one computer and associated computer memory for automatically matching orders and automatically executing trades of automatically matched orders, comprising:

a user at a user station selecting users from among other users of the system to which the user wants to transmit an indication of interest (IOI) in a particular stock; and

the system transmitting to the selected users the IOI with respect to which a related order for the stock has been entered at the user station, which related entered order can be automatically matched and for which a trade can be automatically executed.

27. The method of claim 26 wherein transmitting comprises the system automatically transmitting the IOI with its related entered order.

28. The method of claim 26 wherein transmitting comprises the system transmitting the IOI only when a command is entered by a user at the user station in association with its related entered order.

29. The method of claim 26 wherein transmitting comprises the system automatically transmitting the IOI with its related entered order unless an override command is entered at the user station in association with the related entered order.